

LOUIS FISHER

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# Presidential Spending Power

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## PRESIDENTIAL SPENDING POWER

An early case of secret funding involved President Madison. Concerned that certain territory south of Georgia might pass from Spain to another foreign power, he asked Congress for authority to take temporary possession. Voting in secret session, in 1811, Congress provided \$100,000 for that purpose. The public did not know of the action until years later, in 1818, when Congress published the secret statute.<sup>28</sup>

Secret funding was employed during World War II to develop and produce an atomic bomb. Administration officials contacted three leaders of the House of Representatives: Speaker Rayburn, Majority Leader McCormack, and Minority Leader Martin. An additional \$1.6 billion was needed to manufacture the bomb, an amount the Administration wanted without "a trace of evidence" as to how it would be spent. Clarence Cannon, chairman of House Appropriations, and John Taber, ranking majority member, agreed to make an inscrutable appropriation. Some of the money was tucked away under two accounts: "Engineer Service, Army" and "Expediting Production." Only a handful of Congressmen knew how the money was being used. About \$800 million was spent before some members of House Appropriations knew of the project.<sup>29</sup>

## CENTRAL INTELLIGENCE AGENCY

The Central Intelligence Act of 1949 contained extraordinary authority over the transfer and application of funds. It provided that sums made available to the CIA "may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds. . . ." For objects of a confidential nature, expenditures could be accounted for solely on the certificate of the CIA Director, with each certificate deemed a sufficient voucher for the amount certified. In addition, rather than appropriating funds directly to the CIA, Congress authorized the agency to transfer to and receive from other Government agencies "such sums as may be approved by the Bureau of the Budget" for the performance of any functions or activities autho-